



Agenda Report

Fullerton City Council

MEETING DATE: JULY 7, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: ELLIS CHANG, DIRECTOR OF ADMINISTRATIVE SERVICES
LAURA GIANNETTI-MERCER, HUMAN RESOURCES MANAGER II

SUBJECT: UPDATED RESOLUTION SETTING CALPERS EMPLOYER PAID MEMBER CONTRIBUTIONS

SUMMARY

An action to rescind and replace Resolution No. 2019-83 concerning Employer Paid Member Contributions (EPMC) under the California Public Employees' Retirement System (CalPERS) with an updated resolution to implement changes authorized by prior City Council action.

RECOMMENDATION

Adopt Resolution No. 2020-XX.

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, CONCERNING PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR CLASSIC MEMBERS AND REPEALING RESOLUTION NO. 2019-83 IN ITS ENTIRETY

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

The impact of this change is a reduction of City contributions towards CalPERS retirement benefits for employees serving in Executive classifications. Benefit costs in the approved Fiscal Year 2020-21 Budget included these changes.

DISCUSSION

Under California Public Employees' Retirement Law, employers may pay the employee normal cost (known as the "member contribution") and report the value to CalPERS as additional compensation for employees not excluded under the law. This benefit, known as Employer Paid Member Contribution or EPMC, was implemented for regular employees in all classifications through the collective bargaining process in the early 1990s.

With the approval of the City Manager employment agreement in mid-2017, the EPMC benefit was eliminated for the City Manager.

In October 2017, City Council adopted Resolution No. 2017-66, approving changes to the compensation packages for Executive employees, including gradual reduction of the EPMC benefit. The first reduction of 2% took place immediately upon adoption of the resolution. Subsequently, the following changes have taken place:

- March 2018, City Council adopted Resolution No. 2018-11, approving changes to the compensation packages for Confidential/Non-Represented employees, including a 1% reduction in the EPMC benefit from 7% to 6%.
- December 2019, City Council adopted Resolution No. 2019-83, approving changes to the compensation packages for Fullerton Fire Management employees, including a 2% reduction in the EPMC benefit from 9% to 7%.

The proposed resolution will reduce the City of Fullerton contributions towards EPMC in accordance with the previously adopted schedules. Effective July 11, 2020, the benefit for non-sworn in the Executive unit will be eliminated in its entirety and for the classification of Fire Chief will be reduced from 3% of total compensation earnable to 1% of total compensation earnable. Of note, the current Fire Chief is a City of Brea employee. His benefit package at the City of Brea does not include an EPMC benefit.

Attachments:

- Attachment 1 – Draft Resolution 2020-XX
- Attachment 2 – Draft Resolution 2020-XX redline version